

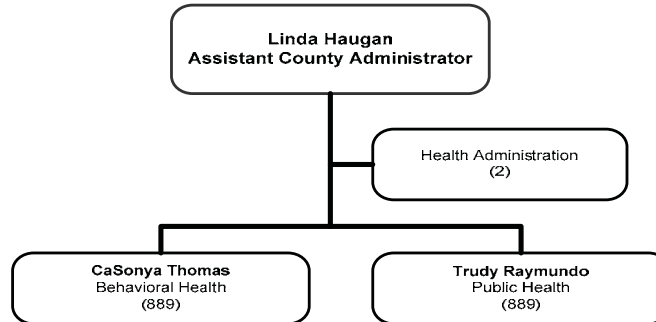
HEALTH ADMINISTRATION

MISSION STATEMENT

Health Administration develops and coordinates budgets, policies, and procedures for the County's health care departments in accordance with the strategic goals adopted by the Board of Supervisors, the County Charter, and general laws.



ORGANIZATIONAL CHART



SUMMARY OF BUDGET UNITS

	2012-13				
	Appropriation	Revenue	Net County Cost	Fund Balance	Revenue Over/ (Under) Exp Staffing
General Fund					
Health Administration	77,560,645	62,560,645	15,000,000		2
Total General Fund	77,560,645	62,560,645	15,000,000		2
Special Revenue Funds					
Master Settlement Agreement	25,084,177	17,075,000		8,009,177	0
Total Special Revenue Funds	25,084,177	17,075,000		8,009,177	0
Total - All Funds	102,644,822	79,635,645	15,000,000	8,009,177	2

5-YEAR APPROPRIATION TREND

	2008-09	2009-10	2010-11	2011-12	2012-13
Health Administration	64,703,404	61,640,716	52,070,117	75,802,735	77,560,645
Master Settlement Agreement	32,084,079	20,039,138	22,852,028	22,377,171	25,084,177
Total	96,787,483	81,679,854	74,922,145	98,179,906	102,644,822

5-YEAR REVENUE TREND

	2008-09	2009-10	2010-11	2011-12	2012-13
Health Administration	49,703,404	46,640,716	37,070,117	60,799,005	62,560,645
Master Settlement Agreement	18,600,000	17,409,067	17,812,891	16,525,144	17,075,000
Total	68,303,404	64,049,783	54,883,008	77,324,149	79,635,645

5-YEAR NET COUNTY COST TREND

	2008-09	2009-10	2010-11	2011-12	2012-13
Health Administration	15,000,000	15,000,000	15,000,000	15,003,730	15,000,000
Total	15,000,000	15,000,000	15,000,000	15,003,730	15,000,000

5-YEAR FUND BALANCE TREND

	2008-09	2009-10	2010-11	2011-12	2012-13
Master Settlement Agreement	13,484,079	2,630,071	5,039,137	5,852,027	8,009,177
Total	13,484,079	2,630,071	5,039,137	5,852,027	8,009,177



Health Administration

DESCRIPTION OF MAJOR SERVICES

The role of the Health Administration budget unit is to seek and support opportunities to foster collaboration among the Department of Public Health (PH), Department of Behavioral Health (BH), and the Arrowhead Regional Medical Center (ARMC). The administration provides regular fiscal and policy analysis relating to the operations of these departments. Additionally, this administration manages the \$77.6 million Health Administration budget unit, which includes funding for ARMC debt service, health related maintenance of effort costs, and transfers required to obtain federal health care funding.

Budget at a Glance	
Total Expenditure Authority	\$77,560,645
Total Sources	\$62,560,645
Net County Cost	\$15,000,000
Total Staff	2
Funded by Net County Cost	19%

Health care related transactions represented by this budget unit include the Disproportionate Share Hospital (DSH) Supplemental Payments, Realignment AB 8 match, and the county's contribution for ARMC debt service payments.

Intergovernmental Transfers for Medi-Cal Managed Care Capitation Rates

This budget unit also includes Intergovernmental Transfers (IGT) to the state to fund increased Medi-Cal managed care capitation rate payments to managed care plans that contract with their respective counties. These IGT's are to be used as the non-federal share of the Medi-Cal managed care capitation rate increases. The IGT Proposal became effective for the rate year October 1, 2008 through September 30, 2009. As with the Disproportionate Share Hospital Funds transfers, the IGT matching contributions to the state, as well as the return of that initial investment is reported within this budget unit.

California Medi-Cal Hospital/Uninsured Care Demonstration Project (SB 1100)

Effective July 1, 2005, funding from SB 855 and SB 1255 for the Disproportionate Share Hospital Programs was replaced by SB 1100, California's Medi-Cal Hospital/Uninsured Demonstration Project. The prior SB 855 and SB 1255 programs provided supplemental payments to hospitals serving a disproportionate number of low-income individuals, as well as those licensed to provide emergency medical services and contract with the California Medical Assistance Commission (CMAC) to serve Medi-Cal patients under the Selective Provider Contracting Program.

The new funding system, SB 1100, was designed under a Medicaid (Medi-Cal in California) waiver to fund public and private safety-net hospitals providing care to Medi-Cal and uninsured patients. The hospital financing waiver under SB 1100 is comprised of three elements:

- Medi-Cal Fee for Service, which represents federal funds accounted for directly in the ARMC budget unit, for services provided to Medi-Cal patients;
- Safety Net Care Pool Funds, which provide a fixed amount of federal dollars, also accounted for directly in the ARMC budget unit, to cover uncompensated health care costs, and
- DSH Funds, which continue to be reflected as a matching contribution to the state, and a return of that initial investment, within this budget unit.

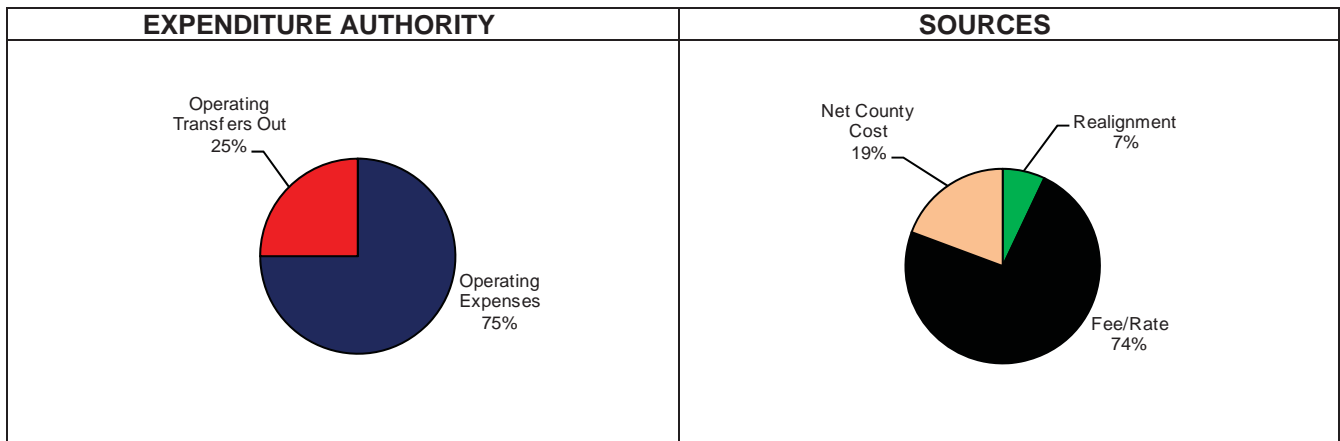
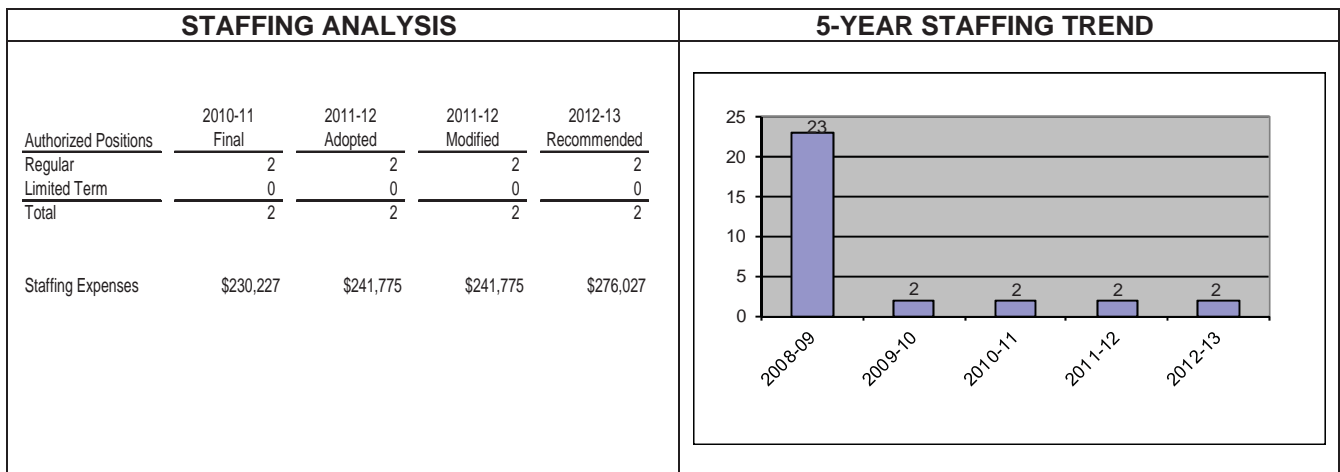
Realignment and General Fund Support

General fund support and realignment funds are used to pay for the ARMC debt service lease payments, Realignment AB 8 match and administrative costs related to this budget unit. To qualify for receipt of Health Realignment funding from the state, the county must contribute a 'match' of local funds. The county's match for 2012-13 is \$4.3 million, which is based on a formula established through AB 8 in 1979. This amount has remained constant throughout the years.

Realignment funds support this budget as follows:

- Mental Health at 9.79% (which covers half of administrative costs).
- Social Services at 2.54% (which covers a share of cost for the 2-1-1 Information System.
- Health at 87.67% (which covers half of administrative costs plus debt service payments).



2012-13 RECOMMENDED BUDGET**BUDGETED STAFFING**

ANALYSIS OF 2012-13 RECOMMENDED BUDGET

GROUP: Human Services
DEPARTMENT: Health Administration
FUND: General

BUDGET UNIT: AAA HCC
FUNCTION: Health and Sanitation
ACTIVITY: Hospital Care

	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Estimate	2011-12 Modified Budget	2012-13 Recommended Budget	Change From 2011-12 Modified Budget
Appropriation							
Staffing Expenses	1,813,167	100,092	230,227	194,558	241,775	276,027	34,252
Operating Expenses	36,467,357	42,588,434	32,031,388	53,439,703	53,743,260	57,967,939	4,224,679
Capital Expenditures	131,520	0	0	0	0	0	0
Contingencies	0	0	0	0	0	0	0
Total Exp Authority	38,412,044	42,688,526	32,261,615	53,634,261	53,985,035	58,243,966	4,258,931
Reimbursements	0	0	0	0	0	0	0
Total Appropriation	38,412,044	42,688,526	32,261,615	53,634,261	53,985,035	58,243,966	4,258,931
Operating Transfers Out	22,798,619	18,951,047	19,805,002	21,817,700	21,817,700	19,316,679	(2,501,021)
Total Requirements	61,210,663	61,639,573	52,066,617	75,451,961	75,802,735	77,560,645	1,757,910
Departmental Revenue							
Taxes	0	0	0	0	0	0	0
Realignment	8,940,756	4,754,817	5,825,299	8,049,005	8,049,005	5,470,645	(2,578,360)
State, Fed or Gov't Aid	804,792	0	0	0	0	0	0
Fee/Rate	35,931,084	41,884,757	31,244,819	52,750,000	52,750,000	57,090,000	4,340,000
Other Revenue	114,552	0	0	0	0	0	0
Total Revenue	45,791,184	46,639,574	37,070,118	60,799,005	60,799,005	62,560,645	1,761,640
Operating Transfers In	419,479	0	0	0	0	0	0
Total Financing Sources	46,210,663	46,639,574	37,070,118	60,799,005	60,799,005	62,560,645	1,761,640
Net County Cost	15,000,000	14,999,999	14,996,499	14,652,956	15,003,730	15,000,000	(3,730)
Budgeted Staffing					2	2	0

BUDGET CHANGES AND OPERATIONAL IMPACT

Staffing expenses of \$276,027 fund 2 Administrative Analyst positions. This appropriation has a net increase of \$34,252 from prior year due to funding 2 Administrative Analyst positions rather than 1 Administrative Analyst and 1 Staff Analyst II position.

Operating expenses of \$57,967,939 are increasing by \$4,224,679 in order to fund increasing DSH Funds and the IGT Proposal to fund Medi-Cal Care capitation rate increases.

Operating transfers out of \$19,316,679 fund \$4.3 million of realignment local match, which must be transferred into trust, before Health Realignment monies can be directed toward the PH and ARMC budget units to fund health programs, and \$15.0 million of net debt service lease payment for ARMC. Net county cost in this department is funded by Tobacco Master Settlement agreement and supports the \$4.3 million realignment match and a portion of Medical Center lease payments.

Realignment revenue of \$5.5 million is decreasing by \$2.6 million. Fee/rate revenue of \$57.1 million is increasing by \$4.3 million and reflects receipt of matching revenues associated with DSH Funds and the IGT Proposal to fund Medi-Cal Managed Care capitation rate payment enhancements.

STAFFING CHANGES AND OPERATIONAL IMPACT

In 2011-12, the Staff Analyst position was replaced with an Administrative Analyst position based on the operational needs of the department.

2012-13 POSITION SUMMARY

Division	Regular	Limited Term	Total	Filled	Vacant	New	Total
Health Administration	2	0	2	2	0	0	2
Total	2	0	2	2	0	0	2

Health AdministrationClassification

2 Administrative Analyst
2 Total



Master Settlement Agreement

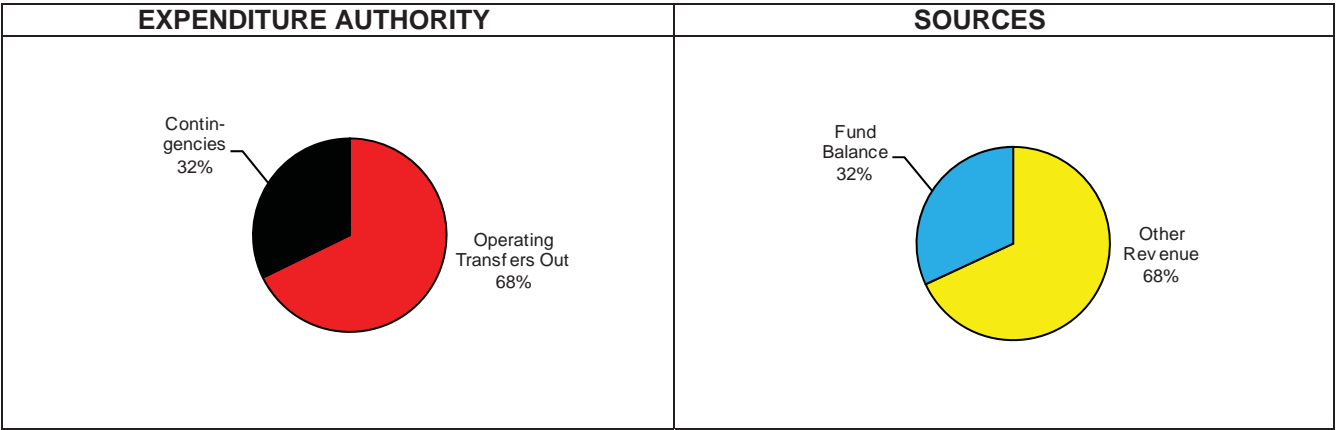
DESCRIPTION OF MAJOR SERVICES

This budget unit accounts for proceeds received from the tobacco lawsuit Master Settlement Agreement (MSA). In late 1998, a settlement was reached in a lawsuit filed by states against the tobacco industry. In California, the proceeds of the settlement are to be divided equally between the state and local governments who partnered in the lawsuit. Payments to local governments are based on a formula involving total tobacco sales and each local entity's population.

Budget at a Glance	
Total Expenditure Authority	\$25,084,177
Total Sources	\$17,075,000
Fund Balance	\$8,009,177
Total Staff	0

A majority of the county's total proceeds are used each year to fund a portion of the Arrowhead Regional Medical Center debt.

2012-13 RECOMMENDED BUDGET



ANALYSIS OF 2012-13 RECOMMENDED BUDGET

GROUP: Human Services
 DEPARTMENT: Health Administration
 FUND: Master Settlement Agreement

BUDGET UNIT: RSM MSA
 FUNCTION: Health and Sanitation
 ACTIVITY: Hospital Care

	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Estimate	2011-12 Modified Budget	2012-13 Recommended Budget	Change From 2011-12 Modified Budget
Appropriation							
Staffing Expenses	0	0	0	0	0	0	0
Operating Expenses	0	0	0	0	0	0	0
Capital Expenditures	0	0	0	0	0	0	0
Contingencies	17,084,079	0	0	0	5,377,171	8,084,177	2,707,006
Total Exp Authority	17,084,079	0	0	0	5,377,171	8,084,177	2,707,006
Reimbursements	0	0	0	0	0	0	0
Total Appropriation	17,084,079	0	0	0	5,377,171	8,084,177	2,707,006
Operating Transfers Out	15,000,000	15,000,000	17,000,000	15,000,000	17,000,000	17,000,000	0
Total Requirements	32,084,079	15,000,000	17,000,000	15,000,000	22,377,171	25,084,177	2,707,006
Departmental Revenue							
Taxes	0	0	0	0	0	0	0
Realignment	0	0	0	0	0	0	0
State, Fed or Gov't Aid	0	0	0	0	0	0	0
Fee/Rate	0	0	0	0	0	0	0
Other Revenue	21,230,071	17,409,065	17,812,890	17,157,150	16,525,144	17,075,000	549,856
Total Revenue	21,230,071	17,409,065	17,812,890	17,157,150	16,525,144	17,075,000	549,856
Operating Transfers In	0	0	0	0	0	0	0
Total Financing Sources	21,230,071	17,409,065	17,812,890	17,157,150	16,525,144	17,075,000	549,856
Fund Balance					5,852,027	8,009,177	2,157,150
Budgeted Staffing					0	0	0

MAJOR EXPENDITURES AND REVENUE IN 2012-13 RECOMMENDED BUDGET

Contingencies of \$8.1 million reflect available fund balance.

Operating transfers out of \$17.0 million reflect a transfer to the general fund which is then used to fund the net county cost of \$15.0 million within the Health Administration budget unit and to offset health care costs of \$2.0 million within the Department of Public Health. Health Administration uses that net county cost to fund the \$4.3 million realignment local match requirement and \$10.7 million of net debt service lease payment for Arrowhead Regional Medical Center.

Other revenue of \$17.0 million reflects anticipated revenue received from the major tobacco companies to the Master Settlement Agreement budget unit. Anticipated interest of \$75,000 is also included in the total.

